



LEGISLATIVE UPDATE



*A Membership Service of the National
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Fourth Attempt by Senate to Pass Prescription Drug Benefit Fails

The Senate failed earlier today to pass a Medicare drug coverage plan that would have provided targeted benefits for people with low incomes or high drug costs. The vote, 49-50, came on the heels of three failed attempts last week to pass rival proposals to provide a drug benefit. The plan was estimated at costing \$390 billion over a ten-year period.

The latest proposal, offered by Senators Graham (D-FL) and Smith (R-OR), would have provided coverage for people with incomes below 200% of the federal poverty level (\$17,720 for individuals and \$23,880 for couples). All Medicare beneficiaries would have qualify for full coverage, with a \$10 per prescription co-pay, if their out-of-pocket expenses exceeded \$3,300 annually. Those who did not qualify for either benefit would have been guaranteed at least a 5% discount through Medicare drug discount cards administered by pharmacy benefits managers.

The plan was offered as an amendment to legislation being debated on the Senate floor that would make prescription drugs more affordable by getting generic drugs to the market more quickly (S 812). Subsequent to the failed vote on the amendment the Senate voted on S 812 and the bill passed with a 78-21 vote.

It is uncertain whether the Senate will attempt to pass any prescription drug benefit legislation after it returns from the August recess, which begins at the end of the week.